



450206

I 1
10/24/00**GARDNER, CARTON & DOUGLAS**

321 N. CLARK STREET

SUITE 3400

CHICAGO, ILLINOIS 60610

(312) 644-3000

FAX: (312) 644-3381

INTERNET: gcdlawchgo@gcd.com

WRITER'S DIRECT DIAL NUMBER

JOHN W. WATSON

(312) 245-8749

jwatson@gcd.com

WASHINGTON, D.C.

MEMBER

WORLD LAW GROUP
A GLOBAL NETWORK
OF INDEPENDENT
FIRMS LOCATED IN
30 COUNTRIES

October 24, 2000

VIA FACSIMILE and FIRST-CLASS MAIL

Mr. Roger Kanerva

Illinois Environmental Protection Agency

1021 N. Grand Avenue East

P.O. Box 19276

Springfield, IL 62794

Re: Nicor Mercury Sites

Dear Roger:

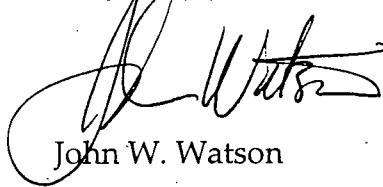
This letter is written to provide you with notice of Nicor's intentions to commence work on the removal and off-site disposition of scrap metal, refinable mercury and waste material currently being stored at Nicor reporting centers and other Company-owned and third party locations, including the Chicago Heights scrap yard. As you know, Nicor has been storing materials at these sites in accordance with prior directions from Illinois EPA.

Based on our prior conversations, my understanding is that Illinois EPA has no objection to this proposed course of action. At your request, Nicor will provide Illinois EPA with advanced notice of its schedule for this work at the following Illinois EPA designated facilities: Bellwood, Crestwood, Dixon, Shorewood, Prospect Heights, Glen Ellyn and Ingelside. As part of this work, Nicor will be conducting follow-up investigations and confirmatory sampling activities to ensure that scrap metal and other materials are being managed appropriately and that no adverse mercury conditions exist at these sites. Of course, to the extent that any site conditions are identified which require remediation, as we previously agreed, Nicor will provide both Illinois EPA and U.S. EPA with 24 hour advanced notice of the commencement of such remediation activities. Nicor will also keep Illinois EPA informed on the status of these activities as work progresses.

Roger Kanerva
October 24, 2000
Page 2

Please call me immediately if this letter does not accurately describe our agreement regarding this matter. By copy of this letter, I am also providing notice to Tom Krueger and Brad Stimple at U.S. EPA of Nicor's intent to proceed as outlined in this letter. Based on my conversations with Mr. Stimple, U.S. EPA also has no objection with this course of action. Thank you for your continued cooperation in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Watson", written over the printed name.

John W. Watson

JWW/ac

cc: Thomas Krueger ✓
Bradley Stimple
James Jansen

CH02/22089652.1

F.1
10/19/00**GARDNER, CARTON & DOUGLAS**

321 N. CLARK STREET

SUITE 3400

CHICAGO, ILLINOIS 60610

(312) 644-3000

FAX: (312) 644-3381

INTERNET: gcdlawchgo@gcd.com

WRITER'S DIRECT DIAL NUMBER

JOHN W. WATSON

(312) 245-8749

jwatson@gcd.com

WASHINGTON, D.C.

MEMBER

WORLD LAW GROUP

A GLOBAL NETWORK

OF INDEPENDENT

FIRMS LOCATED IN

30 COUNTRIES

October 19, 2000

VIA FACSIMILE and FIRST-CLASS MAIL

Mr. Roger Kanerva
Illinois Environmental Protection Agency
1021 N. Grand Avenue East
P.O. Box 19276
Springfield, IL 62794

Re: Nicor Mercury Sites

Dear Roger:


This letter is written to provide you with notice of Nicor's intentions to commence work on the removal and off-site disposition of scrap metal, refinable mercury and waste material currently being stored at Nicor reporting centers and other Company-owned and third party locations, including the Chicago Heights scrap yard. As you know, Nicor has been storing materials at these sites in accordance with prior directions from Illinois EPA.

Based on our conversation of earlier today, my understanding is that Illinois EPA has no objection to this proposed course of action. At your request, Nicor will provide Illinois EPA with advanced notice of its schedule for this work at the following Illinois EPA designated facilities: Bellwood, Crestwood, Dixon, Shorewood, Prospect Heights, Glen Ellyn and Ingelside. As part of this work, Nicor will be conducting follow-up investigations and confirmatory sampling activities to ensure that scrap metal and other materials are being managed appropriately and that no unacceptable mercury impacts exist at these sites. Of course, to the extent that any site conditions are identified which require remediation, as we previously agreed, Nicor will provide both Illinois EPA and U.S. EPA with 24 hour advanced notice of the commencement of such remediation activities.

Roger Kanerva
October 19, 2000
Page 2

Please call me immediately if this letter does not accurately describe our agreement regarding this matter. By copy of this letter, I am also providing notice to Tom Krueger and Brad Stimple at U.S. EPA of Nicor's intent to proceed as outlined in this letter. Based on my conversations with Mr. Stimple of earlier today, U.S. EPA also has no objection with this course of action. Thank you for your continued cooperation in this matter.

Very truly yours,



John W. Watson

JWW/ac

cc: Thomas Krueger
Bradley Stimple

CH02/22089652.1